

# DAILY FOREX NEWSLETTER

Tuesday, 15<sup>th</sup> December 2020

## Local Markets:

The Kenyan Shilling was stable against the dollar on Monday as demand for hard currency remained subdued amid slow activity as companies' closedown for festive season.

## Top News:

- Oil prices dipped in early trade on Tuesday, with demand worries due to tighter lockdowns in Europe outweighing relief from vaccination rollouts and concerns about a flare-up of tension in the Middle East.
- Asian stocks came under pressure on Tuesday following a mixed Wall Street session, as concerns about increasing COVID-19 deaths, infections and lockdowns overshadowed optimism about the start of coronavirus vaccinations.

## International Markets

**USD:** The dollar traded near 2-1/2-year lows against major peers on Tuesday as demand for the safest assets flagged amid progress toward agreeing U.S. fiscal stimulus and optimism for a Brexit deal.

**GBP:** GBP/USD extends bounce off 100-bar EMA, prints mild intraday gains. Normal RSI conditions, sustained trading beyond key moving average favor the bulls. Sellers need to refresh monthly low before retaking the controls. GBP/USD picks up bids near 1.3340, up 0.11% intraday, during early Tuesday. The cable rose for the first time in the last three days on Monday before recently extending gains above 100-bar EMA. The upside moves also benefit from the absence of overbought or oversold RSI conditions.

**EUR:** EUR/USD side-lined near 1.2150 as upbeat China data fails to inspire dollar selling. Coronavirus concerns overshadow vaccine optimism and China data and keep risk under pressure. The options market sees low odds of a continued rally while heading into the year-end. China data released early Tuesday showed the economic recovery broadened in November. So far, however, that has failed to invite stronger selling pressure for the safe-haven US dollar, leaving EUR/USD marginally higher on the day near 1.2150. The bulls have failed to keep gains above that level in seven out of the last eight trading days.

**INR:** USD/INR opens higher tracking broad decline in Asian currencies, shares. Pair now at 73.61 against 73.58 previous session. Hong Kong leads regional equities lower after S&P 500 Index slips for fourth straight session. Worries over more restrictions in US to contain pandemic hurting risk appetite.

## Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	109.85	112.50			
GBP/KES	146.95	149.70	GBP/USD	1.3360	1.3350
EUR/KES	134.50	136.45	EUR/USD	1.2180	1.2175
INR/KES		1.5420	AUD/USD	0.7540	0.7585
			USD/INR	73.51	73.47
			Commodities		
			Gold	1835	1835
			Brent Crude	49.95	50.36

## T-Bills Rates:

Duration	Current	Previous
91 Days	6.901%	6.861%
182 Days	7.363%	7.333%
364 Days	8.246%	8.204%

For further enquiries, kindly contact: Joseph Nyamache /Daniel Yegon/Mayuri Mistry, D/L 020-2223409/2213470 or general nos. 2228461/2

**DISCLAIMER:** Even though care and caution has been taken in the preparation of the opinions, forecasts and provision of information contained in this report, the Bank does not take any responsibilities or give any warranties as to their accuracy or completeness, nor does the bank assume liability for any losses arising from errors or omissions or the results obtained from the use of such information.